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COMMITTEES:

FINANCIAL SERVICES

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JOINT ECONOMIC COMMITTEE



Congress of the United States

House of Representatives

Washington, DC 20515-3214

February 21, 2006

Hon. Michael Oxley
Chairman
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

We respectfully request that the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology (DIMP) hold a hearing on the action by the Committee on Foreign Investment in the United States (CFIUS) permitting Dubai Ports World, a company owned by the government of the United Arab Emirates (UAE), to assume charge of commercial operations at six United States ports, including the ports of New York, New Jersey, Baltimore, Philadelphia, New Orleans and Miami.

As you know, Treasury chairs CFIUS and is the agency that administers the Exon-Florio statutory provision that allows the President to block a foreign acquisition if CFIUS concludes it is dangerous to national security. Exon-Florio is part of the Omnibus Trade and Competitiveness Act of 1988 and is a provision that was approved by the then-Banking Committee in 1988. As a result, CFIUS falls under the jurisdiction of the Financial Services Committee. Clause (a)(B)(x) of Rule 5 of the Rules for the Committee on Financial Services further delegates the Committee's jurisdiction over this matter to the DIMP Subcommittee, which, among other things, oversees "international investment policies, both as they relate to United States investments for trade purposes by citizens of the United States and investments made by all foreign entities of the United States." Thus, the DIMP Subcommittee is the appropriate forum for this important hearing.

Congress deserves to know how the decision was made in favor of a UAE-owned entity, which many believe will jeopardize our national security. The approval raises many serious questions about the effectiveness of the CFIUS process and how it resulted in an approval in this case. Given the seriousness of these questions, we ask that you convene a hearing at the earliest possible date.

Thank you for your attention to this matter.

Sincerely,

Carolyn Maloney
Member of Congress

Barney Frank
Member of Congress

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cc: Rep. Deborah Pryce